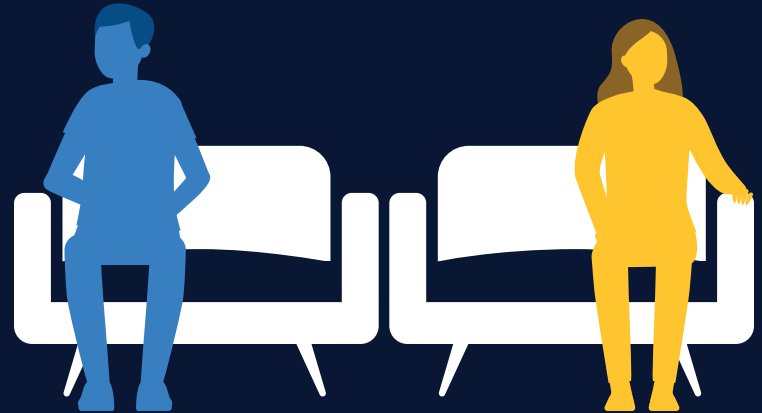


What divorcees should know before claiming their Social Security benefits



Make Your Plan
May 2024

Key Insights

- Divorce doesn't necessarily sever ties to Social Security benefits based on an ex's earnings record.
- Knowing the eligibility criteria for spousal or survivor benefits based on your ex's record are crucial for maximizing your potential benefits post-divorce.
- Understanding limitations, such as the ability to claim benefits on only one ex-spouse's earnings record, is also essential for making informed decisions.

Getting divorced is never easy, particularly when it comes to separating finances. The good news is that rules for splitting your Social Security benefits are simple—and for some people can result in higher benefits.

Many people assume that once the divorce is final, any claim on benefits based on an ex's earnings record is also final. But that's not the case. While the rules can sound a little complicated, it's certainly worth looking into.

Eligibility for spousal benefits based on ex's record

If you are divorced from a spouse to whom you were married for at least 10 years, you may qualify for spousal benefits based on the ex's record. The rules for divorced spousal benefits are very similar to the rules for spousal benefits if you had remained married. This may open opportunities for you to optimize your benefits claiming strategy.

Among the rules for collecting divorced spousal benefits are:

- You cannot be currently married
- You must have been married at least 10 years
- You must be at least age 62
- If your divorce was finalized less than two years ago, your former spouse must have filed for retirement benefits, which are benefits based on his or her earnings record
- If your former spouse has not applied for retirement benefits but is at least age 62 and your divorce has been final for at least two years, you may be eligible to receive spousal benefits based on your ex's earnings record

In general, you can collect the greater of (1) retirement benefits for which you are eligible and (2) your spousal benefits based on your ex's earnings record. The amount of retirement benefits for which

you are eligible is the current level of retirement benefits you are receiving today, or the level of retirement benefits you would receive if you applied for these benefits today.

For everyone younger than 70 today, whenever they apply for benefits, they are considered to be applying for their retirement benefits and, when eligible, their spousal benefits. That is, they cannot restrict their application to one of these benefits and later switch to the other benefit after it has grown. As noted above, someone may become eligible for spousal benefits on an ex's record before the ex applies for benefits. That is different than for a couple who is still married, so the claiming strategies may vary.

Keep in mind, the amount of benefits the divorced spouse is eligible to collect based on the ex-spouse's record will not impact the benefit amounts that the ex-spouse or their current spouse might receive.

It's also important to note that, if you remarry, you will no longer be eligible for spousal benefits based on your ex's record and you will not be eligible for spousal benefits based on your new spouse's earnings record until you have been married to that person for one year.

How much are divorced spousal benefits

If you meet all of the requirements outlined above, you can qualify for up to one-half of your former spouse's Primary Insurance Amount (PIA). The PIA is the ex's retirement benefit amount if claimed at his or her full retirement age (FRA). It's important that we use the term "up to" because, just like your retirement benefits, divorced spousal benefits will be reduced if you claim these benefits prior to your FRA.

If you aren't sure whether your own retirement benefits or your divorced spousal benefits would be higher, contact the Social Security Administration and ask what these two benefit amounts would be. You can compare the two benefits to see which one is higher, and you can use that information to craft a claiming strategy.

Eligibility for survivor benefits based on ex's record

The rules for collecting survivor benefits based on an ex's record have similar themes to the spousal benefit rules described above, but they are not quite the same:

- As with spousal benefits, you must have been married at least 10 years
- You must either be unmarried, or you did not remarry before age 60
- You must not be entitled to higher retirement benefits based on your earnings record. Your entitled benefit amount is your benefit amount after you have filed for these benefits (Note that this is different from benefits you are eligible for, which is described above.)
- You must be at least age 60 (There are exceptions—age 50 if you are disabled, and as described in the next bullet point.)
- You are eligible at any age if caring for the ex-spouse's child, who also is your natural or legally adopted child and younger than 16 or has a disability and is entitled to benefits. These benefits will continue until the child reaches age 16 or until the child no longer has a disability. You can receive these benefits even if you were not married to your ex-spouse for 10 years.

You can restrict your application to survivor benefits and later switch to your retirement benefits after they have grown due to delaying the start of these benefits. Alternatively, you can restrict your application to retirement benefits and later switch to your survivor benefits, when they will be higher.

How multiple marriages affect divorced spouse benefits

As stated above, in order to receive divorced spouse benefits on the earnings record of an ex-spouse, you must have been married to that person for at least 10 years. But what if you've been married multiple times to different people and for at least 10 years each? Can you collect benefits on all of their earnings records at the same time? The answer is no. You can only collect benefits on one of your ex's records at a time. However, if you've been married more than once and for at least 10 years each time, you can choose to claim spousal benefits or survivor benefits based on the highest earner's record.

Social Security claiming strategies can be complex, with lots of variables and options to consider. Consider working with a professional to evaluate your strategies and have confidence in your decision.

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